ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION
(Include Holding Company Where Applicable)

PrivateBancorp, Inc.

Person to be contacted regarding this report:	Leonard Wiatr	RSSD: (For Bank Holding Companies)	1839319
CPP Funds Received:	$243,815,000	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Repaid to Date:	$0	FDIC Certificate Number: (For Depository Institutions)	
Date Funded (first funding):	1/30/2009	City:	Chicago
Date Repaid[1]:		State:	Illinois

[1]If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

☒	Increase lending or reduce lending less than otherwise would have occurred.	The U.S. Treasury's preferred stock investment in January 2009 allowed us to increase lending pursuant to our strategic plan, upholding our commitment to supporting credit-worthy companies during a difficult economic period.

☒	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	Loan balances, including covered assets, increased by $1.4 billion, or 18% in 2009. All major loan categories showed increases, including commercial, commercial real estate (including construction loans), residential and personal loans. Commercial loan balances increased by 19% in 2009.
☒	Increase securities purchased (ABS, MBS, etc.).	Our securities portfolio increased by $146 million, or 10% during 2009 as we focused on maintaining higher liquidity. The change included an increase of 24% in mortgage-backed securities.
☐	Make other investments	
☒	Increase reserves for non-performing assets	The ratio of allowance for loan losses to total loans increased to 2.44% at December 31, 2009 from 1.40% at December 31, 2008, strengthening our balance sheet.

☒	Reduce borrowings	During 2009, we repurchased $115 million of convertible notes primarily as a result of the exercise of put rights by noteholders. We also repaid a $20 million outstanding balance under our senior credit facility. Both of these actions improved the Company's overall financial position.
☒	Increase charge-offs	Charge-offs in 2009 reflected our efforts to deal with problem assets through initiatives that were supported by our strong capital position.
☒	Purchase another financial institution or purchase assets from another financial institution	In July 2009, we purchased certain assets and liabilities of Founders Bank in an FDIC-assisted transaction. The purchase included 10 branch offices, primarily in the southwest suburbs of Chicago. No branches were closed and substantially all employees were retained.
☐	Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

The primary use of TARP and other capital raised during the year was to continue investing in our subsidiary banks, enabling them to leverage this capital in providing new and renewal loans to middle-market companies as well as business owners, executives, entrepreneurs and families. Investments in subsidiary banks totaled $281 million during 2009. We expect to continue to be prepared to make such investments during 2010, while maintaining capital levels substantially higher than "well capitalized" regulatory standards. At December 31, 2009, our Tier 1 risk-based, total risk-based and Tier 1 leverage capital ratios were 12.29%, 14.65% and 11.17%, respectively, compared to "well -capitalized" regulatory requirements of 6.00%, 10.00% and 5.00%, respectively.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

As discussed above, the U.S. Treasury's TARP preferred stock investment in January 2009 provided supplemental capital that we used to continue executing our business strategy. Loan balances, including covered assets, increased by more than $1.4 billion in 2009, equal to almost six times the amount of capital invested by the U.S. Treasury. We provided more than $10 billion in credit to customers, through the renewal of existing loans as well as the approval of new lending relationships. The Founders Bank acquisition in mid-year, executed and supported by our enhanced capital position, resulted in the development of a new community banking division. We expanded our asset-based lending service during the year, supported by our enhanced capital position and the hiring of experienced bankers with deep expertise in this field. All of these expansion initiatives occurred during a period when many of our competitors' lending businesses were contracting.

We augmented the TARP capital investment with two additional equity offerings during the year, raising an aggregate of more than $411 million in common equity, net of underwriters' commissions, through underwritten public offerings. Taken together with the TARP capital investment, we raised $655 million in capital during the year, further solidifying our balance sheet.

The number of full-time equivalent employees expanded during 2009, increasing from 773 at the beginning of the year to 1,040 at December 31, 2009, primarily due to the Founders Bank acquisition. Thus, the TARP and other capital afforded us the opportunity to continue providing credit to qualified borrowers while also providing jobs to skilled and dedicated employees.

We made capital and people investments in technology and risk-mitigation during 2009, both of which are crucial to improved operating performance and the successful execution of our business strategy in future years. The TARP and other capital supported these efforts and also allowed us to absorb credit losses during the year without sacrificing long-range planning.

TARP funds enabled us to serve our communities as a key partner in community developing lending opportunities, financial education initiatives and community service-oriented projects. In 2009, we originated more than $397 million in qualified community development loans in key Community Reinvestment Act (CRA) target areas: affordable housing, community development services, economic development and revitalization. We also substantially increased our commitments to CRA-related investments during 2009.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.